

## **EXHIBIT 1**

### **INTRODUCTION**

Respondent Douglas Sanders was a successful candidate for Compton City Treasurer in the April 17, 2001 city election, and is currently serving his third term in that office. Respondent Committee to Elect Douglas Sanders (the “Committee”) was his controlled campaign committee, and Respondent Sanders served as the treasurer of Respondent Committee. In this matter, Respondents failed to timely file a second pre-election campaign statement in connection with the April 17, 2001 city election.

For the purposes of this stipulation, Respondents’ violation of the Political Reform Act (the “Act”)<sup>1</sup> is stated as follows:

Respondents Douglas Sanders and Committee to Elect Douglas Sanders failed to file a pre-election campaign statement by April 5, 2001, for the reporting period March 3, 2001 through March 31, 2001, in violation of Government Code section 84200.5, subdivision (c).

### **SUMMARY OF THE LAW**

An express purpose of the Act, as set forth in section 81002, subdivision (a), is to ensure that receipts and expenditures in election campaigns be fully and truthfully disclosed, in order for voters to be better informed and improper practices inhibited. To that end, the Act sets forth a comprehensive campaign reporting system designed to accomplish this purpose of disclosure.

Section 82013, subdivision (a) defines a committee as any person or combination of persons who directly or indirectly receives contributions totaling \$1,000 or more in a calendar year. This type of committee is commonly referred to as a “recipient” committee. Under section 82016, subdivision (a), a recipient committee that is controlled directly or indirectly by a candidate is a “controlled committee.” Section 84200 requires candidates and their controlled committees to file two semi-annual campaign statements each year. The first semi-annual campaign statement covers the reporting period January 1 to June 30, and must be filed by July 31. The second semi-annual campaign statement covers the reporting period July 1 to December 31, and must be filed by January 31 of the following year.

#### **Duty to File Pre-Election Campaign Statements**

In addition to semi-annual campaign statements, section 84200.5, subdivision (c) requires all candidates being voted upon on a date other than the first Tuesday after the first Monday in June or

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<sup>1</sup> The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of title 2 of the California Code of Regulations. All regulatory references are to title 2, division 6 of the California Code of Regulations, unless otherwise indicated.

November of an even-numbered year, and their controlled committees, to file pre-election campaign statements as specified in section 84200.8.

For an election not held in June or November of an even-numbered year, section 84200.8, subdivision (a) provides that the first pre-election campaign statement, for the reporting period ending 45 days before the election, must be filed no later than 40 days before the election. Section 84200.8, subdivision (b) provides that the second pre-election campaign statement, for the reporting period ending seventeen days before the date of the election, must be filed no later than twelve days before the election.

## **SUMMARY OF THE FACTS**

Respondent Douglas Sanders was a successful candidate for Compton City Treasurer in the April 17, 2001 city election. Respondent Committee was his controlled campaign committee, and Respondent Sanders served as the treasurer of Respondent Committee. This matter arose out of a referral from the Compton City Clerk's office, which sent certified letters to Respondents seeking compliance with their campaign filing duties. During the first half of 2001, Respondents received contributions totaling \$23,762, and made expenditures totaling \$26,887.

### **Failure to File a Second Pre-Election Campaign Statement**

Respondents filed a first pre-election campaign statement on March 13, 2001, prior to the April 17, 2001 election, reporting that they had received contributions totaling \$6,110, and made expenditures totaling \$4,443 for the election campaign. Thereafter, Respondents had a duty to file a second pre-election campaign statement by April 5, 2001, for the reporting period March 1, 2001 through March 31, 2001. The Compton City Clerk's office sent notices to Respondents reminding them of the requirement to file a second pre-election campaign statement.

On July 5, 2001, the Compton City Clerk's office referred Respondents' failure to file the required second pre-election campaign statement to the Fair Political Practices Commission (the "Commission") for enforcement action.

On October 26, 2001, Commission Investigator Larry Phoenix spoke with Respondent Sanders by telephone regarding the delinquent campaign filing. Respondent Sanders stated that he had received notices from the Compton City Clerk's office regarding his filing duties, but that it was "just an oversight" on his part not to have filed the required campaign statement in a timely manner. Mr. Phoenix requested that Respondent Sanders immediately file the delinquent campaign statement with the Compton City Clerk's office.

On October 26, 2001, Respondents filed a second pre-election campaign statement for the reporting period March 3, 2001 through April 3, 2001, disclosing that they received contributions totaling \$2,000 and made expenditures totaling \$2,624 during that reporting period.

By failing to file a second pre-election campaign statement by April 5, 2001, for the reporting period March 3, 2001 through March 31, 2001, Respondents violated section 84200.5, subdivision (c).

## CONCLUSION

This matter consists of one count, which carries a maximum possible administrative penalty of Five Thousand Dollars (\$5,000). However, the typical administrative penalty for failing to timely file campaign statements has ranged from \$1,000 to \$3,000 for violations occurring after January 1, 2001, depending upon whether the non-filing occurred before or after the election and the amount of the undisclosed campaign activity.

In aggravation, Respondent Sanders is an experienced public official, who has campaigned for three consecutive terms as Compton City Treasurer. As such, he is knowledgeable of the Act's campaign filing requirements. Furthermore, Respondent Sanders admitted to Commission staff that he received notices from the City Clerk's office about his delinquent filings, and disregarded them. In addition, Respondents did not file the semi-annual campaign statement, for the reporting period April 1, 2001 through June 30, 2001, until October 31, 2001, three months after it was due.

In mitigation, Respondents filed the delinquent pre-election campaign statement immediately after being contacted by a Commission investigator. The delinquent pre-election campaign statement disclosed a relatively low amount of campaign activity prior to the April 17, 2001 election.

Based on facts of this case, and the mitigating and aggravating circumstances addressed herein, the agreed upon total administrative penalty of Two Thousand Five Hundred Dollars (\$2,500) is justified.